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## School for Union Leaders Apparently Got CIA Money

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A Washington Correspondent of  
the Post-Dispatch

WASHINGTON, Feb. 21—The New York State School of Industrial and Labor Relations at Ithaca, N.Y., apparently was subsidized by the Central Intelligence Agency from 1961 through at least 1963, examination of tax records indicated today.

The school received \$289,500 over the three-year period from the Marshall Foundation at Houston, Tex., identified as one of the funds through which the CIA has been financing ostensibly privately supported organizations.

The school is a contract college supported by the State of New York and administered by the trustees of Cornell University.

### Covers for CIA

It used funds from the Marshall Foundation to conduct a training program in international affairs for American labor union leaders. Some graduates went abroad on assignment with trade union international secretariats. Union sources say that the secretariats have been used as covers for CIA operations abroad.

Prof. Vernon H. Jensen, associate dean of the school, told the Post-Dispatch today that he knew of no CIA involvement with the school.

"From our point of view, the program from beginning to end was a straightforward educational program," he said. "We dealt directly with the unions to select the students. We abide by the Cornell rule and do not accept money from anyone for research purposes unless we have absolute control over the program and the results are public property."

### Arranged Financing

A former dean of the school,

John McConnell, now president of the University of New Hampshire, told the Post-Dispatch that he had arranged the financing with the Marshall Foundation after ascertaining that it was a bona fide private foundation.

"At the outset, I was not aware of any CIA connection," he said. "Subsequently, I became aware of some expressions of interest that indicated a relationship beyond simply the training of trade unionists." He declined to discuss this point in detail.

In the transfer of funds to the New York state school at Ithaca, the "pass-through" operation began with contributions to the Marshall Foundation from other foundations known as conduits for CIA money—the Beacon, Borden, Price, Tower and Edsel funds.

The Marshall Foundation, in turn, passed the same amounts to the New York school and other beneficiaries.

In 1961, the Marshall Foundation received from the Borden Trust \$69,000, from the Price Foundation \$49,000 and from the Beacon Fund \$25,000, for a total of \$143,000 from those sources.

### Foundation's Contributions

Contributions in that year included \$94,000 to the New York State School of Industrial and Labor Relations, \$20,000 to American Friends of the Middle East, \$25,000 to Christianform, and \$4000 to the People to People Foundation in Washington. Again, the total was \$143,000.

American Friends of the Middle East, a pro-Arab organization that publishes periodicals about the Middle East and finances travel there, receives substantial income from known CIA conduits. Its officers say they know of no CIA involvement by the organization.

In 1962, the Marshall Foundation received \$203,750 from the five CIA sources. Contributions

included \$120,500 to the school at Ithaca, \$25,000 to American Friends of the Middle East, \$25,000 to the African-American Institute, \$27,250 to the Vernon Fund of Washington and \$6000 to the Institute of Public Administration in New York.

The African-American Institute has received other funds from CIA conduits. The Vernon Fund appears to be another "pass-through" fund, but public records do not show where it has made contributions.

### Contributors Deleted

The public part of the Marshall Foundations' 1963 tax return shows that its income included \$129,000 from three contributors whose names have been blanked out.

Contributions paid out that year were \$75,000 to the school at Ithaca, \$25,000 to the Vernon Fund, \$20,000 to American Friends of the Middle East, \$1500 to the Institute of Public Administration, and \$7500 to the Philadelphia National Bank for the account of a Robert Backoff of Philadelphia, "A grant for study."

Meanwhile, the Washington Post reported that the Institute for Labor Research, a defunct organization that had been headed by former Socialist party leader Norman Thomas, had received more than \$1,000,000 from a foundation identified as a conduit for CIA funds.

### Supported By Fund

The Post said the institute had been financed almost entirely between 1961 and 1963 by the J. M. Kaplan Fund of New York, which congressional investigators identified in 1964 as a channel for CIA money. The

Institute used the funds to operate a political training center in Costa Rica, a research organization in the Dominican Republic and a publishing house in Mexico City, the newspaper said.

Thomas was quoted by the Post as saying that he had not been aware that the CIA was helping to finance these operations. "I acknowledge my own stupidity," he said. "It was my own business to know, but I didn't."

Thomas denied that the CIA or Kaplan Fund officers ever tried to influence the labor institute's policy or programs, the Post said.

The dispute over the CIA activities erupted last week when it was revealed that the agency had been supplying funds since 1955 to the National Student association, the world's oldest and largest student organization.